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LATIN AMERICA REPORT

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BRIEFS

BANK LOAN--A consortium of banks headed by City Bank of New York and Lloyd Bank International has granted a loan of \$100 million to the Chilean Oil Company (Copec). [Santiago Chile Diplomatic Information Service in Spanish 0231 GMT 7 May 81]

CSO: 3010/1275

BRIEFS

CEPE OIL SALES CONTRACTS--Quito, 1 May (AFP)--It has been officially announced that the Ecuadorean State Petroleum Corporation (CEPE) negotiated the sale of 23 million barrels of oil to several foreign companies this year. According to official sources, CEPE signed a contract 2 days ago to deliver 10.8 million barrels of crude to the government of Korea [as received]. The sale will be effected in 2 years. This is the second contract signed this year for oil sales to Korea. A previous contract signed by CEPE with the Hyundai Company, a private company, was also for over 10 million barrels. In addition, CEPE sold 1.9 million barrels of crude to the Dow Chemical, Ancap and Capechino Companies in April. According to the same source, CEPE has long-term sales contracts with the Elot Oil Trading, Marubeni, Shell Curacao and Hyundai Companies, which have carried out shipments of crude in accordance with the established program. According to CEPE, Ecuador exported 9,460,575 barrels of oil in the first months of this year. [Text] [PA020400 Paris AFP in Spanish 1529 GMT 1 May 81]

CSO: 3010/1271

BRIEFS

PETROLEUM EXPLORATION CONTRACT--The Peruvian State Petroleum Agency [PETROPERU] last night approved the draft of an operations contract to be signed with the Netherlands company Royal Dutch which is interested in exploring possible hydrocarbons deposits in Madre de Dios Department. [PY291448 Lima Radio America in Spanish 1130 GMT 25 Apr 81]

CSO: 3010/1271

VENEZUELAN CONGRESSMEN REQUEST HAITIAN PRISONERS' RELEASE

Caracas EL NACIONAL in Spanish 23 Apr 81 Sec D p 5

[Text] A large group of Venezuelan senators and deputies sent a letter to the president of Haiti, Jean-Claude Duvalier, in which they request of him the immediate release of all political prisoners, and the granting of general amnesty in that country.

Following is the text of the message which was signed by Carlos Canache Mata, Francisco Murillo Font, David Nieves, Guillermo Garcia Ponce, Elia Borges de Tapia, Hector Alonso Lopez, Angel Zambrano, Juvencio Pulgar, Felix Lucas, Nelson Luis Martinez, Gustavo Mirabal Bustillos, Anselmo Natale, Alexis Ortiz, Virgilio Torrealba Silva, Carlos Rodriguez Canteaume, Jose Rodriguez Iturbe and Teodoro Petkoff, among others:

"His Excellency, Mr President of the Republic of Haiti, Jean-Claude Duvalier,

"National Palace, Port-au-Prince, Haiti.

"Mr President:

"We, the undersigned deputies and senators of the Congress of the Republic of Venezuela, with all respect, are writing to you to intercede on behalf of the political prisoners whose names we include.

"The interest in these individuals is based on humanitarian reasons. Our only purpose is the defense of fundamental human rights, according to the Universal Declaration of the Rights of Man approved by the United Nations in 1948.

"For the aforementioned reasons, we request of you the immediate release of all the political prisoners, and the granting of general amnesty. Until such time as this occurs, we demand of you guarantees for the physical safety of these individuals who are being held only on account of their ideological beliefs.

"We thank you in advance for all your effort, and hope that this petition will have a favorable reception. We send you our respectful regards.

"List of some political prisoners:

"Berton Pierre Paul, Frantz Dossous, Gabriel Herard, Voliel Louis, Mme Thermitus Myrthil, Jacques Price Jean, Ives Theodore, Augustin Auguste, Ebenezer Jean, Jacques Perard Berthulien, Ernst Benoit, Francis Dit Drake, Silvio Claude, Marie France Claude, Lumenes Dominique, Guy Robert Joseph, Jacques St-Lot, Raoul Acean, Michel Francois, Ernst Benjamin, Mme Louisiane Jean.

"Yours truly."

DEVELOPMENT OF VENEZUELA-TRINIDAD BORDER AREA DISCUSSED

Caracas EL UNIVERSAL in Spanish 23 Apr 81 Sec 2 p 8

[Article by Victor Moreno Coca: "Presence of Oil Aggravates Border Problem With Trinidad"]

[Text] Cumana, 22 April--From a geopolitical and economic standpoint, the border development on the Paria Peninsula in the state of Sucre deserves serious consideration, owing to the implications that it poses.

In fact, the increasing reports of the presence of hydrocarbons and gases on the neighboring submarine platforms, the significance of the ocean resources and the vanguard geographical position in the Atlantic, which puts it in contact with the dynamics taking place in the West Indies, South America and Africa, provide evidence for consideration of a general regulation of the area in order to make efficient use of these resources and benefits and to confront with a broad view the possible effects of the initiation of the use thereof.

The Sixth Plan of the Nation for the Northeast Region states that border development must be aimed, in addition to reclaiming this backward area, at consolidating it and giving it the status of a "strong" border.

The northeast region, in its northeastern position, has a border zone that is shared with the Republic of Trinidad and Tobago in the Gulf of Paria. In our subregional structure, it is included in the Carupano subregion, specifically, with the Paria Peninsula.

At the present time, the problem resulting from border exchanges stems from the exploitation of the ocean resources. The abundance of species of fish and crustaceans has mobilized various sectors, both native and foreign, to operate in the area, wherein a series of irregularities has become evident. Also, for example, fishing agreements signed with Trinidad and Tobago have been violated to our detriment; moreover, there have been violations of territorial waters by foreign fishing companies.

There is another problem that has not ceased to be important. It is related to public order, and has materialized with the presence of persons without identification papers and drug trafficking.

It should be emphasized that a study of the Sixth Plan of the Nation has revealed to us that the analysis of the social situation alerts us to another type of problem, the internal one or the one inherent in the area, which is the result of the interaction of various distorting factors in the course of our history. For example, we are confronted with a state of "backwardness" manifested in the damaging exploitation of cacao and coconut plantations, which were at one time the basic type of crop grown in the area, and which are currently in a state of deterioration; a rather unsatisfactory small-scale fishing; the migration of labor to other sectors which offer greater opportunities for cooperation; and a considerable inadequacy in the rendering of public services, with insufficient infrastructures for roads, housing, health and education. It should be noted that certain projects devised with the intention of improving the situation have become converted into a kind of "enclave," as in the case of the international port of Guiria, which has not yet spread the benefits anticipated to the bulk of the local population.

A consideration of the problems, both those related to exchange and the internal ones, warrants our describing this as a "weakly organized" border zone from a geopolitical standpoint.

Every development program devised for this border region had this concern and has had its logical geopolitical implications. The comments made in this section of the Sixth Plan of the Nation are of a general and summarized nature, owing to the fact that some national policies (conventions, vigilance, defense, etc.) and the programs and strategies that will deal with the internal development of the zone have been formulated in the respective sections of the plan.

It suggests that the protection and defense of our territory and sovereignty, the consolidation of the population, and the evaluation, utilization and projection of the natural resources have become necessary. There must be a reinforcement of the basic agencies and infrastructures, and an improvement in public services; as well as the maintenance and fostering of good relations with the neighboring countries or with those that might feel that they are influenced by the zone.

Among the strategies offered is the preparation of programs to use the ocean resources, as well as the consideration of the international port of Guiria as a factor in the development and dynamics of the sector; the execution of projects for the promotion and rehabilitation of the system of coconut and cacao plantations; an improvement in the land communications routes and telecommunications, and an adjustment of the air and sea communications, especially with Trinidad. Also included are the reinforcement of the agencies and structures for vigilance, security and defense; programs for infrastructure in the areas of health, education and housing; regulations for the use, and issuance of the standards for the Paria Peninsula National Park; and the devising of projects for tourist use, based on the popular tradition and the scenic assets of the region's physical environment.

PAID OF FOREIGN DEBT PAYABLE CURRENT YEAR

Buenos Aires CLARIN in Spanish 28 Mar 81 p 8

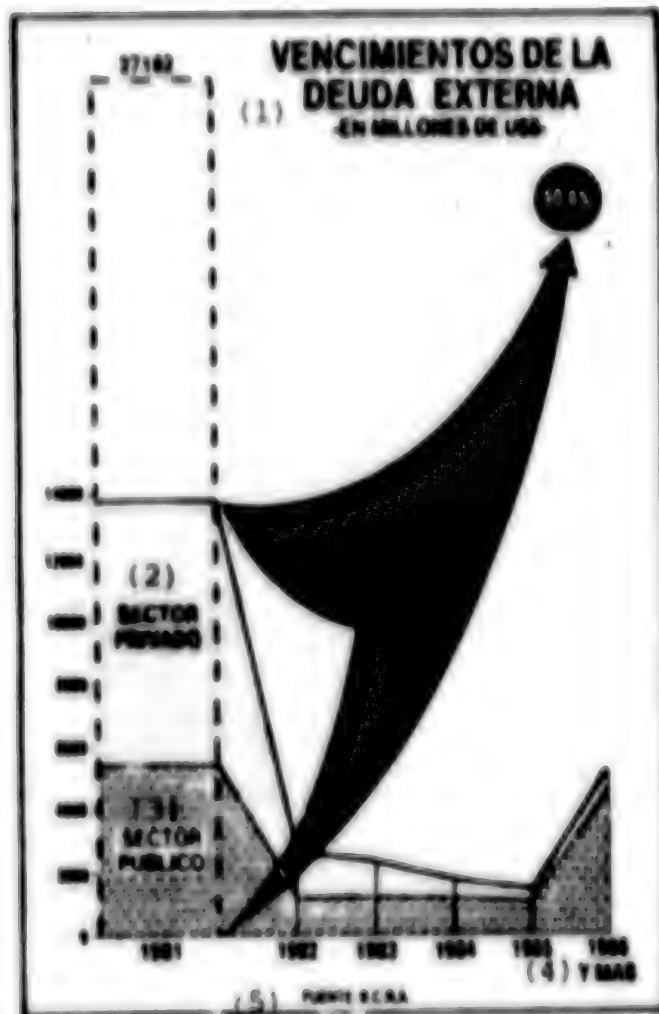
[Text] During the current year, Argentina will have to pay 50.6 percent of its foreign capital debt; this is \$13.764 billion of a total of \$27.162 billion in debts at the end of 1980.

This information was revealed in a report on Argentina's economic evolution from April 1976 to December 1980, which was released yesterday by the Ministry of the Economy. We should point out that this figure only includes the capital debt of \$13.764 billion to be amortized; to this should be added interest charges in order to determine the total financial cost. Therefore, an estimate of approximately 11 percent a year on the average would seem reasonable--15 percent is the present level of the London interbank rate normally used as a guideline--taking into account the large number of short-term loans, which are more costly than long-term loans.

By adding this 15 percent to the capital owed, we get a figure of \$3 billion that has to be added to the almost \$14 billion in capital debt that has to be paid this year. This means an obligation for this fiscal year of about \$17 billion. It is true, however, that some of these debts could be renewed automatically and others could be renewed through renegotiations.

Distinctions

Of this figure of \$13.764 billion, \$5.414 billion are debts owed by the public sector and \$8.35 billion by the private sector, but all together, \$9.083 billion are for loan repayments, that is, payments for purely financial operations, while \$1.079 billion are for capital goods and \$3.428 billion for other goods.



The bulk of our foreign debts are due sometime this year.

Key:

1. Maturity of foreign debt (in millions of US\$)
2. Private sector
3. Public sector
4. 1986 and beyond
5. Source: BCRA [Central Bank of the Argentine Republic]

Starting in 1982 the financial burden will be lessened, since that year \$2.636 billion will have to be repaid; this is less than 10 percent of the debt, compared with 50 percent this year. The amounts will continue to decline in following years, but this estimate is only theoretical, since it does not take into account the possibility that new debts may be contracted and/or old short-term debts may be renewed, transferring the bulk of these highly concentrated maturity dates from one year to another.

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CSO: 3010

BANKRUPTCIES TOP PREVIOUS RECORDS

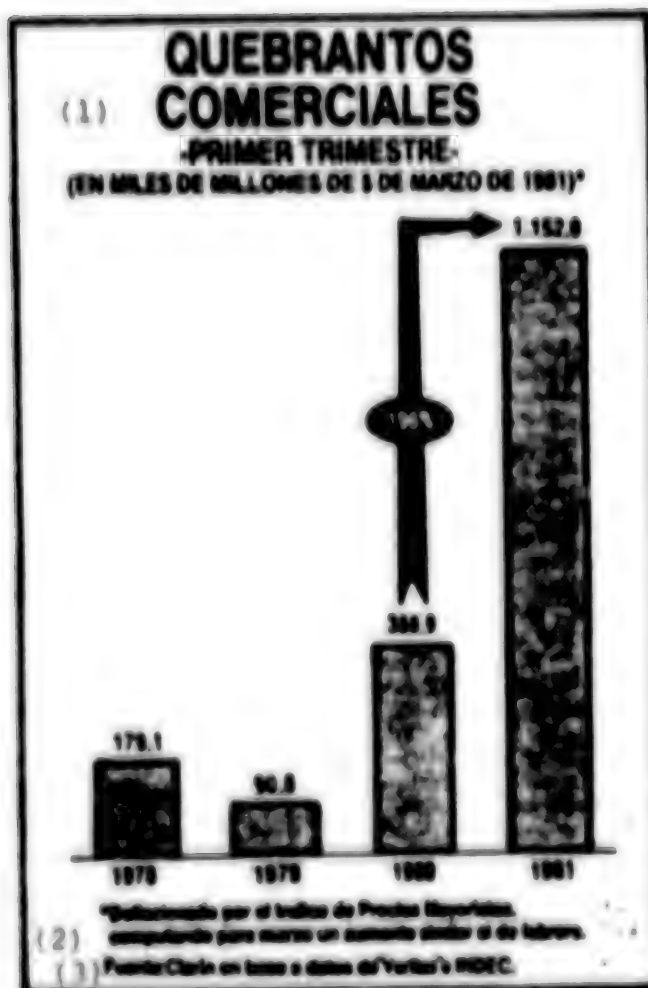
Buenos Aires CLARIN in Spanish 2 Apr 81 p 17

[Text] The number of new lawsuits filed because of commercial bankruptcies during March 1981 is the highest since March 1972, and liabilities owed are also higher in real terms than those of recent years, according to a report by the journal VERITAS.

Liabilities in March of this year came to 366.815 billion pesos, compared with 69.040 billion in March 1980. As for the number of new lawsuits, in March 144 were filed, compared with 60 in March of 1980; this is 84 additional cases.

Seven of these suits had liabilities higher than \$10 billion pesos. The major cases were: a construction firm, a cold-storage plant, and a radio factory. During the first quarter of this year 283 lawsuits were filed with liabilities of 1,152 billion pesos, compared with 120 cases in the first quarter of last year, with liabilities of 246 billion.

In real terms (see the accompanying chart) bankruptcies filed during the first quarter of this year exceeded by 196 percent those filed in the same period of 1980, which in turn exceeded by 331 percent those filed during the January-March period of 1979. Consequently, commercial bankruptcies filed in the first quarter of this year are 12 times greater, in constant terms, than those of the first quarter of 1979, which were lower than those in the first quarter of 1978.



Key:

1. Commercial bankruptcies: first quarter (in billions of March 1981 pesos)*
2. *Deflated according to the Wholesale Price Index, computing for March an increase similar to the February increase.
3. Source: CLARIN based on data from VERITAS and INDEC [National Statistics and Census Industry].

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CSO: 3010

MINISTER AGUADO: 1981-82 CROP TO BE EXPORT TARIFF FREE

Buenos Aires LA PRENSA in Spanish 4 Apr 81 p 2

[Text] The minister of agriculture, Jorge Aguado, yesterday "fully" pledged his word in announcing that the "sale of the forthcoming 1981-82 crop will have no export tariffs." He spoke during the ceremony at which the new president of the National Grain Board, Dr Luis Perazzo, took office.

He said that "for the export tariffs, there is a declining rate schedule, which in the case of fine grains will on 31 October of this year return to zero, and which will return to zero for coarse grains on 1 March 1982."

Dr Perazzo is replacing David Lacroze in this position as head of the grain board. The following persons were present at his swearing-in ceremony: the undersecretary of agriculture, Victor Santirso; the undersecretary of livestock, Ubaldo Parias; the outgoing officials; and leaders from the agricultural sector along with special guests.

In his short speech, Aguado said that this transfer "is only a change in a relay between men who are devoted to the process of national reorganization."

He pointed out that the grain board "is now facing the tremendous responsibility of arranging for the sale of this crop, a record harvest in Argentina's history." He hoped that "this sale will be handled with the same efficiency as it has been in recent years."

He repeated that "it is the firm intention of the ministry to turn the system of grain elevators over to private industry; for that reason we are going to comply with the directives in the present grain law concerning those persons who may be eligible for the transfer of these elevators."

He also expressed his hope that "the agricultural sector will soon be able to respond favorably to all the just demands made of it," adding that "today a new effort is being made to find the way to improve Argentina's economy."

Remarks by Dr Perazzo

Perazzo said that "our rural areas play a unique and irreplaceable role in our overall economy, because of their enormous capacity for generating both goods and currency, and consequently, because of their ability to help meet the demand for goods and services."

He said that the nation "should not make a mistake about the reasons why we have this record harvest. There were two decisive factors in achieving this harvest: God, who once again gave us exceptional climatic conditions; and our unshakeable faith in our work. Our people, by surmounting all difficulties, have made huge efforts, even beyond their economic possibilities, in the hope of being rewarded, not just by heaven, but also by the people who establish the rules of the game, determining the price of their sacrifice and their risk."

He then urged that "this hope should not be frustrated, and we should continue an intensive search for ways to satisfy the interests of our people within the broadest possible economic freedom."

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CSO: 3010

FARM, INDUSTRIAL SECTORS ASSESS ECONOMIC REFORMS

Impact on Agriculture Discussed

Buenos Aires LA NACION in Spanish 3 Apr 81 p 16

[Text] The SRA [Argentine Rural Association], in speaking of the recommendations to be made, has said that the immediate impact of these measures "will be evaluated when all the information and the corresponding resolutions can be analyzed, for these are not available now." From a structural point of view, the statement expresses some concern about the reintroduction of withholding, "a factor which distorts and discriminates against farm income; its elimination has been one of the most important and difficult steps in the economic area taken by the armed forces government."

On the issue of devaluation, the statement said that the exchange rate has been changed with an intention to raise it to a more appropriate level, but no natural and permanent adjustment mechanism has been created, maintaining that a free float in a pure market is a suitable system for this permanent and natural adjustment, which can be established.

Statement by Jose J. Manny Lalor

"With reference to the measures announced for the agricultural sector, due primarily to a decline in international prices in recent weeks, and since exporters, somewhat anticipating this devaluation, had adjusted their price quotations last week, prices remained practically unchanged at the resumption of operations," said the president of the Grain Exchange of Buenos Aires, Jose Juan Manny Lalor, who termed the principles and orientations of the action announced by President Viola and by the Minister Sigaut positive.

He said that the slight variation in prices "will surely produce some disenchantment in rural areas, but the fact is that without these measures, prices would have been even lower."

As for the withholding issue, Manny Lalor said that the 12 percent rate means that the farmer will once again have to help the nation to settle its problems.

Comments by the CRA [Argentine Rural Confederations]

"The measures selected imply an undoubted recognition of the need to correct the course of the economy; they include a desire to give a balanced treatment to all the sectors that make up our national life," said the CRA statement.

It went on to say that "the package of measures will make an overall positive contribution, starting with a search for realism in the exchange rate, which should correct, insofar as possible, our lag behind other areas, whose impact has so damaged our productive sectors." Even though, as the statement points out, no definite freeing of the exchange market has been provided, "a step forward has been taken, which will have to be followed by other steps. The impact of our former experience," according to the CRA statement, "and its negative consequences, should force us to avoid any return to some new type of gap between the rate of domestic inflation and the level of the exchange rate."

Concerning the withholding imposed on exports of agricultural goods, the CRA feels that "a new effort is being demanded of our rural people; this will be tolerated for the sake of the general equilibrium, but the CRA feels that this mechanism should definitely be abolished."

The Meat Packing Industry

The first vice president of the Argentine Meat Association said that "the package of measures is too incomplete for us to be able to make any definitive comment"; he felt that the new exchange rate will mean an improvement of approximately 14 percent for this sector.

Industrial Impact Discussed

Buenos Aires LA NACION in Spanish 3 Apr 81 p 16

[Text] The president of the UIA [Argentine Industrial Union], Jacques Hirsch, said that the measures announced by the nation's economic authorities "cover some of the problems that industry has been concerned about." They mean a recognition of the fact that "the peso had been completely overvalued."

Roberto Favelevic, president of the FITA [Federation of Argentine Textile Industries] and vice president of the UIA, said that as a result of the measures announced "the effects on prices should be limited, unless there are abuses, as always happens, which the consumer should not accept."

Hirsch and Favelevic each spoke this morning in an interview broadcast by Radio Mitre of Buenos Aires on the measures announced last night by the minister of economy and finance, Lorenzo Sigaut.

Hirsch said that "I don't believe that today we are worth 30 percent less than yesterday. The economy has been tested, and help should be given to those sectors that have been most affected by the measures of the previous administration."

The business leader felt that "the scope of the steps can be determined when we learn everything. Lorenzo Sigaut told us some things and others will be learned from information to be released today."

"I think that the idea behind this has been to revitalize industry, as the president once said, and to help agriculture; now we will see how things work out."

When he was asked if he felt that the announcement had been taken well in industry, he said: "I can't say that, because I didn't get any calls about it last night. I will see what happens today; I am going to meet with my colleagues."

He did say that the package of measures announced "covers some of the problems that industry has been concerned about; it does make clear in particular something that industry has always said, that the peso was completely overvalued."

"Now this has been corrected and we will see what effects this will have."

The textile leader then remarked that "the essential in whether this new economic policy will work is the success it has in reducing government spending, with the consequent reduction in tax pressure, if this spending is controlled."

To a question about whether the devaluation was desired by the industrial leaders, Favelevic said that "the devaluation has some effects that will please some people and displease others."

"For exporters, it will mean that they will receive more pesos for their exports, which means they will have more money to spend or to buy; for importers, they may have had to pay more for some items or may have to do so in the future, but it will obviously reduce the pressure of competition from imported goods on our national economy."

Buenos Aires Industries

In a statement released yesterday, signed by Dr Mariano Maciel, general coordinator of the UIPBA (Industrial Union of the Province of Buenos Aires), the measures announced by the minister Lorenzo J. Sigaut are analyzed. The text of this statement follows:

The adjustment program announced by the minister of the economy and finance deserves the support of this organization, since it is based on a correct diagnosis of the situation, which is fully in accord with the diagnosis made by the UIPBA in some of its earlier statements, and it is an attempt to correct the main factors that have been distorting our economy and causing serious damage to industry.

In a preliminary analysis of what has been announced to date, we should point out that:

a. The restructuring of the exchange rate will enable industry to compete with imported goods on a more equitable basis; this will open up the possibility of access to the international market, which had been blocked for some time; it will also provide greater rationality for the process of economic overtures.

b. We hope that the exchange policy, through monetary mechanisms, will have an effect on the present high level of interest rates, which make it impossible to determine financial and investment policies in industry; the level of interest rates has been the main cause of the critical situation facing business now.

c. Cuts in government spending and a reduction in the fiscal deficit--both long-term goals which we expect to be achieved in this new phase--will make it possible to cushion the inflationary effects generated by the state apparatus; this will make possible a better allocation of resources, and compliance with the principle of subsidiarity.

The appeal made to various sectors to make their concerns known, through the exercise of their right to participate and to express their opinions, deserves special mention. The experience of this organization in its frank and ongoing dialogue with the provincial authorities has been highly beneficial. So we are convinced that this method, now to be used on a national basis, will, by helping to reverse a trend toward isolation, yield only positive results.

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CSO: 3010

BRIEFS

1980 CENSUS--The 1980 census put the population for the Bahamas at 209,505 compared with the 169,534 persons counted in the 1970 census. The island of New Providence, where the capital city of Nassau is located, accounted for 65 percent of the total population with 135,437 persons in 1980. The next most populous island was Grand Bahamas with a resident population of 33,102 persons. Among other major islands, Andros had a population of 8,397; Eleuthera had 8,326; Abaco had 7,324; Exuma had 3,672; Long Island had 3,358; Harbour Island and Spanish Wells had 2,274; and Cat Island had 2,143. The population size of other islands and cays ranged from a low 33 persons in Long Cay to 1,432 persons in Bimini. [FL282336 Nassau Domestic Service in English 1200 GMT 28 Apr 81]

CSO: 3025/1009

LABOR DISPUTE THREATENS TOURISM INDUSTRY

FL011240 Nassau Domestic Service in English 1200 GMT 1 May 81

[Text] A 3-week-old strike right now involving more than 5,000 workers, one-sixth of the island's labor force--and that is Bermuda--threatens to cripple that country's vital tourist industry as we hear in this report from (Rick Richardson), of ZBN, Bermuda:

There was a tense atmosphere for the second day running on this island as militant workers, members of the predominantly black Bermuda Industrial Union, continued strike action almost crippling the main industry, tourism. And, the majority of the American visitors were immediately brought on flights back to the U.S. mainland. The strike affects most of the island's major hotels as the industry workers came out in support of government blue collar workers and non-medical hospital staff.

The dispute centers around wages. At this point government is standing firm on its offer of a 28 percent increase over 2 years. The union, meantime, is seeking an increase of 22 percent in the first year alone. Early today, the union leader (Arthur Wall Simmons) said there could be a quick solution to the present crisis. [Begin recording] Therefore, this dispute will end this minute if government called and said: (Artie Simmons), we have a proper wage offer for you. Here it is and if it is proper and is acceptable, today it is all over. [Question] So, if it is proper, do you mean by that even if it is not 22 percent, it could be 18 or 19 percent, is that what you're saying? [Answer] It's [word indistinct] 22 percent [words indistinct] 22 percent, they needn't have any problems. [end recording]

Despite those remarks by the union leader there appeared to be little hope for an early solution to Bermuda's labor dispute. (Rick Richardson) for ZNS News, Hamilton, Bermuda.

CSO: 3025/1009

PAPER LAUDS U.S. STAND IN WORLD BANK, IDB

PY071533 Santiago Chile EL MERCURIO in Spanish 28 Apr 81 p A3

[Editorial: "The United States and The World Bank"]

[Text] The U.S. Government, through the treasury under secretary, has demonstrated its concern over the recent World Bank policy of concentrating all its support on state projects in underdeveloped countries rather than giving stimulus to the expansion of private activities.

The under secretary of the treasury has indicated that the last 27 loans that have been granted for oil exploration in Third World countries have ended up in the hands of state enterprises and that this is not in accordance with the new U.S. policy of having confidence in private initiative and activities as the generators of economic growth.

This diagnosis regarding the World Bank recently caused the United States to oppose the creation of a World Bank agency charged with energy development in Third World countries.

Previously, at the yearly meeting of IDB governors, the U.S. representative made similar statements and, in fact, he made U.S. support of the regional development organization conditional on the IDB's adapting itself in the future to giving stimulus to the free market and private enterprises.

The position of the U.S. Government is understandable due to the political changes that have occurred in it. It is obvious that if the international development institutions are supporting state activities, then they are serving the interests of socialist movements instead of the positions of the moderate political sectors.

The new intellectual sectors of the United States, and those of other countries, have a deep lack of confidence in the socialist models that have been implemented in the Third World. It is true, the most well-known cases of rapid development during the past few decades are to be found in the countries that have based their growth strategies on private enterprise and a free market and keeping official activities at a subsidiary level.

There is an ever-increasing belief that socialism has failed as a formula for the development of the poorer countries and that something similar has occurred with state intervention in the industrialized world. The persistent depression, the

Lack of economic stability and the high unemployment rate that is to be observed in countries with a higher degree of development is increasingly attributed to, with ever increasing insistence and solid proof, exaggerated state intervention that has degenerated into persistent fiscal deficits and social aid systems that have only benefited the poorer sectors very superficially, but that have given strong stimulus to an increase in idleness, unemployment and unproductive expenditures.

Consequently, the new U.S. position is not due to a more ideological or political whim. Moreover, it is a question of a deep belief based on the experience of the past few decades in the industrialized and developing worlds.

New winds of economic freedom are blowing in the corridors of every international forum and a slow abandoning of policies of a socialist nature is being observed. The case of our country is very significant because it anticipated world events. Chile, which up to a few years ago stood alone as recently and appropriately stressed by the president, now has some company. Maybe it could be asserted with some basis that the country has, in a certain sense, been a leader in economic and social affairs.

CSO: 3010/1275

BRIEFS

COPPER MINE--The Los Pingos Mine in Ovalle, Limari Province, has begun operating extracting copper. The mine has a mother lode 14 meters wide and more than a kilometer long. It is expected that the mine will produce from 300 to 400 tons of ore daily. [Santiago Chile EL MERCURIO in Spanish 27 Apr 81 p C 13]

LABOR DAY CELEBRATION--Santiago, 1 May (AFP)--For the eighth consecutive year the Chilean workers unions were split up for the celebration of International Labor Day, which today ended up with the arrest of some hundred persons in this capital. While President Gen Augusto Pinochet headed the official celebrations at Government House, the police, with tear gas, prevented the members of the opposition unions to gather in the auditorium of a catholic church. Cardinal Raul Silva Henriquez, on his part, went to one of the poorest neighborhoods in Santiago to hold a mass to commemorate the day of St Joseph, patron of the workers, which is traditionally held in the Metropolitan Cathedral. In Jose Mara Caro Town, where 30 percent of its 300,000 inhabitants are unemployed, Cardinal Raul Silva Henriquez pointed out the strong bonds which exist between the catholic church and the workers and he criticized those who are arrogant because of their wealth and distinctions. Indirectly referring to the Chilean situation the 73-year-old church official pointed out that we achieve nothing by building beautiful palaces, great highways and enormous towns if the people's spirit is not based on justice and love. The police did not report any serious incidents in the rest of the Chilean cities such as Valparaiso, Concepcion and Antofagasta but in Rancagua, 90 km south of here, the 10,000 workers of El Teniente Copper Mine today held their 10th day on strike. [Excerpts] [PY042611 Paris AFP in Spanish 2251 GMT 1 May 81]

COST OF LIVING--The Chilean statistics department has reported that the cost of living during April was 1.2 percent because of the increased prices in fuel and transportation. [Santiago Chile Domestic Service in Spanish 1100 GMT 5 May 81]

ACTION AGAINST ARRESTED FRENCHMAN--A communique issued today by the Social Communications Directorate reports that the Chilean government has put French citizen (Antoine Herrero) at the disposal of the French Embassy in Santiago and that it has issued a decree by which the French citizen is prohibited from entering Chilean territory. (Antoine Herrero), who is a French union member, was involved in political agitation activities. It was learned, moreover, that the police found on him a statement criticizing the Chilean labor movement and the present socioeconomic situation in our country. The statement ends by noting that this is a flagrant intervention in Chilean domestic affairs and it disrupts the peace

that both the government and Chilean workers have sought for so long. The government was, therefore, compelled to take this action. [Text] [PY061906 Santiago Chile Domestic Service in Spanish 1730 GMT 6 May 81]

LABOR MINISTER'S INTERVENTION REQUESTED--Rancagua Chile, 6 May (LATIN-REUTER)--Miners striking against El Teniente state-owned copper mine today asked Labor Minister Miguel Kast's intervention to clarify for the company some aspects of labor laws which are preventing a solution for their demands, union sources revealed. Guillermo Medina, who is president of 6 of the 8 unions at the mine, told the press that the company is creating obstacles to reach an agreement that will end the 7-week old stoppage. He noted that the company expresses respect for rights acquired by workers under last year's contract, on one hand, but disregards those rights whenever they do not suit its interest. The negotiations which were resumed last week have turned into a dialogue among the deaf that nobody understands and so I believe that the minister's intervention is now necessary, Medina said. [Excerpt] [PY070303 Buenos Aires LATIN in Spanish 2325 GMT 6 May 81]

DEMONSTRATORS BANISHED--Twelve persons arrested on labor day have been banished to the Dofos Province according to a communique released by the Interior Ministry through the government social communications agency, DINACOS, yesterday. The communique states that these persons are at the disposal of the Interior Ministry. The Interior Ministry, in accordance with regulations, ordered the banishment of the following persons for the maximum legal term: (Julia del Carmen Araya Rojas), (Lidia Huidobro del Carmen Cannino) and (Gilda del Carmen Flores Riquelme) to Chumbi; (Patriale Hernandez Naranboines Franklin) and (Gaston Santibanez Diaz) to Chumbi; (Jorge Eugenio Martinez Lopez) and (David Echerencia Mino Herrera) to Arica; (Alfonso Aurelio Figueroa Celis), (Francisco Jose Chavez Hendra) and (Hector Carrasco Paul) to Curaco de Bono; and (Feliciano Leazar Parra Llano) and (Daniel David Pinto Rusi) to Chumbi. The Interior Ministry communique indicated that these people were involved in street disorders and are activists who have repeatedly engaged in these kinds of activities. [Text] [PY071435 Santiago Chile Domestic Service in Spanish 1100 GMT 7 May 81]

ARGENTINE OFFICERS' DEFENSE--Chilean lawyer Carlos Sotile de Civero has taken the defense of the two Argentine officers who were arrested 14 days ago and charged with carrying out spying activities in times of peace. Maj Raul Pablo Balleza and 1st Lt Oscar Santos were arrested on 25 April in the city of Los Andes because they were carrying out activities that violate state security. The two officers were declared guilty on Monday by the military prosecutor, Gonzalo Salazar, and they remain incommunicado. The lawyer, whose services were requested by the Argentine Embassy in Santiago, indicated last night that he will wait until Saturday to see whether he will appeal the decision that declared the two officers guilty. [Text] [PY081303 Santiago Chile Domestic Service in Spanish 1100 GMT 8 May 81]

LABOR MINISTER'S NONINTERFERENCE--The labor minister will not interfere in the salary negotiations that are being carried out in the El Teniente Copper Mine. This fact is contained in a communique that has been released by the labor minister. The mediation had been requested by the area secretary general, Guillermo Medina. The labor minister said that, in accordance with the

government's labor policy, he will not interfere in the salary negotiations that are being carried out in that enterprise. Minister Kast recalled that the law establishes the appropriate mechanism allowing the two parties to exercise their rights, including the rights that have been acquired within the law, in other words, through negotiations or the courts if necessary. The negotiating committees will meet again today in Rancagua in order to seek a resolution of the conflict. Guillermo Medina's committee has been set for 1530, and at 1030 the 8,500 workers will meet in the Rancagua gymnasium in order to receive an overall report. [Text] [PY08125] Santiago Chile Domestic Service in Spanish 1100 GMT 8 May 81]

CSO: 3010/1275

TURKEY HOLDING CRITICIZED, CALLED A FAILURE

Bogota EL ESPECTADOR in Spanish 12 Apr 61 Sec A p 7

[Article by Carlos Villalba Bustillo: "Synopsis of a Great Failure"]

[Text] While the nation, shocked and incredulous, observed the state of public order becoming complicated and the economic situation worsening, the president of the republic, with optimism, confidence, satisfaction and good humor, was announcing his fifth official visit abroad, making 100 in all since he assumed office. In his memoirs, Turbay will have a lengthy account to give of his crossings of the skies, the generosity of his hosts, the compliments from high-ranking ladies and the cuisine of all latitudes. Fortunately, the chief executive, it is not known whether because of heeding the outcry from the citizens or because of fearing giant steps, decided to exchange the Russian caviar and Chinese vegetables for rice with mullet from Barranquilla and the Order of Lenin for a doctorate "honoris causa" from the University of the North. So, he cancelled his July summer itinerary, just as he cancelled the relations with Cuba, and denied that his decision was a result of pressure or threats. On the other hand, he stressed that the country would be dreadfully harmed thereby, because the postponement of the talks and agreements that were planned would delay the penance for all our ills. Power entails more responsibilities than pleasures.

Passive Government

But no one is so lucky as the Colombian president, if we judge it on the basis of his fellow countrymen's capacity for "endurance." Only a few spokesmen (EL ESPECTADOR, Carlos Lleras, Augusto Villa, EL COLOMBIANO and Ramiro de la Espriella, among others) have criticized the government's passiveness toward the abuse of the monopolies and their most famous big shots in its proper dimensions. And, what is worse still, there are but few who have reproached the backing that the same government has given to the Gran Colombia Group, by accepting the resignation of Hernan Echavarria at the very time that, wielding the banner of ethics, it was penalizing and scoring the sale and resale of National Chocolates stock. All of this with the cunning complicity of the banking superintendent (he must have had reasons for it), who refused, using the well-known excuse of privacy, to send to the Securities Commission a copy of the files containing the respective investigations. However, it is not yet known what the repercussions of such a trick will be, nor the position of the groups which, based on the idea of "if James did it, I shall too," may try to repeat the deceptive stock exchange commotion of the usual sponsor of Turbay breakfasts. The public was perplexed, it is true, but it did not dare to react as it should have. To promote

earning opulence and compile complete works, when one has economic power besides, inspires respect. For this reason the government, without giving it a second thought, preferred the sacrifice of one who, on its behalf and representing it, naively believed that he could cleanse the low bottom of the high financial world.

For the consolation of fools, there remain two investigations, the conclusion of which we all know, especially that of the Senate commission, the steps of which, in addition to being slow, have been previously determined by the executive branch. Has the government party considered the deterioration that is being caused it by that secret, foul-odored collusion in which its officials are engaging, supposedly to preserve an image that has already vanished? Does it perchance expect its erstwhile shy followers to demand a shroud in order to rest from that cajolery? Can that be the bait which the party expects to show to its disenchanted members, in order to become entrenched in power?

Politics and Ideas

Politics is cleverness, to be sure, but it should also be ethics, uprightness and at times candor; in most instances, optimism, and always, ideas. The notion of the state and its mechanisms is something serious which, for its fulfillment, requires fortitude among those who run and direct it. And that must apply to its entire machinery, in the length and breadth of its structure, without any neglect of what comprises and determines it. Because it understood this need, the labor union front stood for the national nonconformity, and for the paralyzed political parties, reminding the president of what his mission should be, and how to carry it out.

There is no doubt that the nation is not being run from the offices of ANDI [National Industrialists Association], FENALCO [National Federation of Businessmen], CAMACOL [Colombian Chamber of Construction], ANIF [National Association of Financial Institutions] and FEREMETAL [Colombian Metallurgical Federation]; but it is not being run from the seat of an airplane either. The former are closer to its reality and its problems than the latter is. Radar does not pick up the rate of inflation, nor malnutrition, nor the cost of living, nor speculation, nor upsets of order nor anything that is happening on earth. And the big black storm clouds that are hovering over Colombia's future demand a pilot, not a passenger.

Agreement Jeopardized

The new expression of the state's planning activity, that is, the so-called regulatory law which must determine the types of agreement and understanding between the labor unions and the government, and which has created so many expectations, is threatened with death; because, in addition to the political differences that surrounded it and the gaps from which it suffers, the effort for its implementation will lack the necessary harmony between the public and private sectors. The director of the indicative planning, by nature flexible and naturally subject to the changes in expediency, began to be uncomfortable with the position that the person making the macroeconomic decisions assumed toward his spokesmen, who contributed with a well thought out report to the devising of some urgently needed solutions for a country that is politically, economically, socially and morally sick. Dissenting is not being disrespectful, nor is opposing being destructive.

The fact is that the institutionalized flattery and reverential fear inherent in the character crisis besetting the nation have caused an outbreak of conceit which, when met with the slightest differences or acts of independence, turns into holy wrath. If the statements do not smell of incense they are heretical, and if they do not smack of submission they are sacrilegious. What a short duration there was for the honeymoon brought about by the reduction in interest rates, at the heart of which one could only discern a mere psychological than practical effect.

Columbia does not really have a system of markets, competition and savings that would make the reduction in interest operative. The performance of capital, that is, its supply and demand, is contingent on the degree of its concentration and on the recipient of its investment, something which has had an unfavorable effect on our economy during the past 5 years. Hence, the weakness of these basic budgets has not guaranteed a real reorientation of production, nor a new policy on employment, nor more goods and services, nor a letup in the inflation pressure, nor a respite in long-term financial charges. For this reason, there are grounds for the doubts concerning a presumed reaction from the productive sector and the regulation of capital turnover.

The First Warning

Even the Army, which is not deliberative, but which knows that repression is not the only type of pacification, has stated through its commander that the subversion has a social background, and that a different kind of remedy is required to deprive it of its force. The stirring pen of the stalwart soldier immediately received public support: the commander of the Navy, the Church, Anfomato, the minister of government and Gen Camacho Leyva. Only President Turbay, who sincerely believes that his government is infallible, stated that the social problems do not warrant the subversion and that if this theory, the one of General Landazabal, were accepted, two thirds of the world would have to rise up in arms. A little more modesty, or less arrogance, would not be so obfuscating for the people's high-ranking officials, whose capacity for understanding should harbor more balance than pride. For this reason, the faltering amnesty has not caught on and has delayed, to say the least, the response from its supposed beneficiaries; and for this reason, the country, inexplicably to some and rightfully to others, has not concealed a certain amount of sympathy for M-19. It is not that subversion is the right path, or the big solution; but it does not suffice to censure and repress its atrocities. It must be dissected as a social phenomenon and a political scourge, in order to learn how to root it out.

The unemployed person, without prospects, and without political sponsors, beset by hunger and by the elements, is an easy target to recruit, and the FARC (Revolutionary Armed Forces of Colombia), the FLA, M-19 and the base coordinator besiege him (there are many Colombians in this situation), in order to take advantage of his anxiety. Even the employed person whose pay is taxed 17 percent which is not returned to him in services is a potential agent of dissatisfaction and subversion, because our labor system and its supplementary measures exceed its needs, and are confined, with intolerable stinginess, to setting a wage which brings him increasingly less profit. Not to mention social security which, according to the unions' report, hardly covers 20 percent of the economically active population; or medical care for the child population, which is meager and ineffective; or the hospital endowment, which is orgiastically squandered by the regional strong men; or the public services, destroyed by the waste of patronage. There is, indeed, a campaign for full employment which, like the altruistic spectacle of the telethon, will make up for the state's

Inertia and its impotence in the face of the great challenge of unemployment, while the DANE [National Administrative Department of Statistics] has announced that, in just 1 month, March, the consumer price index rose 3.25 percent for employees and 2.56 percent for workers. This means that, thus far this year, the cost of living for the former increased 8 percent, and for the latter 7 percent.

Liberal Alert

Dr Lleras Restrepo remarked recently, quite rightfully, that the path of violence cannot be the solution to our ills, and that this does not mean that we are deceiving ourselves about it. For that very reason, the government must drastically change its policy toward subversion and toward martial law. It does the country no good to continue using, on an institutional basis, and as something normal, a legal expedient established in the Constitution for abnormal and essentially sporadic situations; because, if what is sporadic becomes permanent, and if which is cyclical becomes structural, it is because there is something lacking in the state leadership. Nor does it benefit the Liberal movement when, whether with grounds or not, it is reproached for adopting cruel procedures to silence the opposition, or is accused of having been incapable of carrying out changes with social justice. To be sure, one achieves creative discoveries by thinking big, not through the shortcut of bureaucratic proclivities. The Liberals must make a calm and candid examination of their situation. They cannot continue to confuse the art of governing with the obligation to please the forgers of all the victories. Their real leaders, those who have a personality and a gift for ruling, cannot demand the discipline of silence. Their executive officers must head toward the recovery of the mystique and the doctrinal potential which we need to provide Colombia with means whereby to correct the deterioration surrounding it on all sides. In addition to the modernization of its principles, the Liberal movement must return to the realm of political sincerity and intellectual honesty, at all times combating the peddling of soft jobs which has plunged it into crookedness and mockery. This cannot be the legacy with which the emerging class historically emulates "the decadent aristocracy of La Candelaria."

2909

LSO: 3010 1205

BACKGROUND OF CAPTURED M-19 MEMBERS GIVEN

Bogota EL ESPECTADOR in Spanish 8 Apr 81 Sec A p 7

(Text) Following is the personal information on some of the men and women who will be tried in Ipiales as members of the M-19 columns that were broken up by the National Army in southwestern Colombia.

Angela Maria Navarro Wolff, aged 24, a native of Cali; completed the sixth year for a high school diploma; sister of Carlos Jose Navarro Wolff, who is currently being tried as a defendant in the court-martial being conducted at La Picota.

Anibal Piedrahita Marin, aged 32, a native of Jamundi, Valle; has taken some university courses.

Gerardo Jimenez Millan, originally from Tulua, Valle, aged 34; has taken secondary school courses.

Luis Anibal Pena Sandoval, born in Acevedo, Huila, aged 22; completed the second year for a high school diploma.

Berta Marina Trujillo Carrasco, a native of Ibague, aged 21; has taken courses for a high school diploma.

Carlos Jimenez Millan, originally from Tulua, aged 29; completed the sixth year for a high school diploma.

Henry Vallejo Espitia, a native of Armenia, aged 24; completed the fourth year for a high school diploma.

Luz Dary Gonzalez Castro, a native of Manizales, aged 25; completed the third year for a high school diploma.

Hilda Rosa Gaviria, a native of Palocabildo, Falan, Tolima; aged 21; completed the second year of elementary school.

Sergio Ivan Montoya Tamayo, born in Medellin, aged 25; completed 5 years of elementary school.

Gloria Amanda Rincon Lopez, from Florencia, Caqueta, aged 25; completed the fifth year for a high school diploma.

William Ramos Velasco, aged 22, a native of Cali; completed the fifth year for a high school diploma.

Diego Borrero, a native of Yumbo, Valle, aged 21; completed the third year for a high school diploma.



Carlos Toledo Plata



Sergio Iván Montoya



Luis Anibal Peña S.



Gerardo Jiménez M.



Gloria Amanda Rincón



Luz Dary González C.



Carlos Jiménez Millán



Bertha Marina T.



William Ramos V.



Diego Borrero



Nilda Rosa Gaviria



Anibal Piedrahita M.



Henry Vallejo Espitia



Angela María Navarro

TREASURY REPORTED RUNNING HEAVY DEFICIT

Bogota EL SIGLO in Spanish 14 Apr 81 pp 1, 2

[Text] The comptroller general of the republic, Anibal Martinez Zuleta, describing the heavy treasury deficits shown by the nation's balance sheets at the end of this February as excessive, called for a revision of the established procedures for collecting funds and the adoption of mechanisms that will allow for the saving and streamlining of public spending.

In his financial report for the second month of this year, sent to President Turbay Ayala, the official claimed that the deficits have subjected the nation to a high degree of lack of liquidity.

According to the figures supplied by the Office of the Comptroller General of the Republic, as of 28 February, the deficit determined by the General Treasury amounted to 10.439 billion pesos, the highest recorded during the past 25 years. This negative result was arrived at by comparing the available funds, which totaled 6.776 billion pesos with the demand liabilities, which totaled 17.216 billion pesos.

In commenting on the excessive deficit in the Treasury, Martinez Zuleta said that it was the result of a greater negative involvement in the management of public finances. The comptroller advised: "The deficit in the General Treasury's funds is a result of the stagnation in the executive spending units related to the performance of the 1980 budget not recorded as of 31 December of that year. This fact has prevented the Treasury from being able to deal in time with the payment of bills incurred during the present budgetary accounting period."

During February 1981, the cash deficit in the Treasury increased by 5.7531 billion pesos, moving from a negative balance of 4.6859 billion pesos registered on 31 Jan, to one of 10.439 billion a month later.

Budgetary Deficit and Deficit Spending

As of 28 February of this year, the active and passive performance of the national budget showed a deficit of 11.217 billion pesos, a figure 9.1221 billion pesos higher than the deficit computed for 31 January of this year. The negative result calculated at the end of the second month was obtained upon comparing the sum of the net proceeds from capital income and funds which totaled 16.552 billion pesos with the amount in the decrees for expenditures issued during the first 2 months of the fiscal period, totaling 27.7696 billion pesos.

Martinez Zuleta said: "The budgetary deficit was caused by the slight active performance of the budget, which reached 8.3 percent when 2 months of the fiscal period had elapsed." He added that, from 1 to 28 February 1981, no additions were made to the national budget, and hence it is still estimated at 201.6386 billion pesos.

The official stated: "At the present time, the national budget does not begin to have balance. In other words, there is a difference of 1.8 billion pesos between the amount estimated as capital income and funds and the total appropriated for expenditures. The aforementioned sum relates to the contributions for the plan and program for the promotion of business firms that are useful and beneficial for regional development, which were not properly included in the liquidation decree. This same observation was already made in the financial report for January of this year." As of 28 February, insofar as the fiscal situation was concerned, an approximate deficit of 7.633 billion pesos was determined; whereas, on 31 January of this year, a fiscal surplus of 1.4897 billion pesos was determined.

The negative balance calculated for the fiscal situation is a result of a comparison with the approximate fiscal surplus in 1980, which totaled 3.5846 billion pesos; whereas the passive factors, comprised of the approximate budgetary deficit as of 28 February of this year, amounted to 11.2176 billion pesos.

Performance of the Budget

At the end of February, the expense budget totaled 155.6138 billion pesos, while the disbursements made in this connection amounted to 16.0785 billion pesos, representing a budgetary performance of 10.3 percent. The decrees issued for this type spending involved 24.831 billion pesos, a figure 1.7226 billion pesos less than two twelfths of the amount appropriated. As of the same date, 28 February, the appropriations for investment spending amounted to 44.2248 billion pesos, the decrees issued involved 4.3073 billion pesos, and the turnover made amounted to 1.4997 billion pesos, the latter being equivalent to 3.4 percent of the sum budgeted.

In all, the expense budget totaled 199.8386 billion pesos, against which there were disbursements of 17.5782 billion pesos, showing a passive budgetary performance of 8.8 percent. The total amount in the decrees for spending reached 28.5383 billion pesos.

Finally, the comptroller accused certain tax and customs administrations of not notifying the Office of the Comptroller of the total volume of inspections and collections of revenue, a circumstance which has exacerbated further still both the budgetary and fiscal deficit situation estimated at the end of the second month of this year.

2909
CSO: 3010/1205

LABOR ORGANIZATIONS MARCH, CALL 13 MAY STRIKE

PA020232 Paris AFP in Spanish 2041 GMT 1 May 81

[Text] Quito, 1 May (AFP)--Thousands of Ecuadorean workers divided into three groups paraded today through the main streets of Quito on the occasion of International Labor Day and at the same time took advantage of the occasion to express their discontent with the critical economic situation.

The workers carried posters calling for workers unity for the strike they are planning for 13 May to protest the economic measures taken by the government.

"This 1 May is a day of struggle and of protest against the hopelessness and poverty that is choking the Ecuadorean people," several labor leaders said.

The largest group in today's parade was the one organized by the United Workers Front (FUT) which is composed of the Confederation of Ecuadorean Workers (CTE), the Ecuadorean Confederation of Free Union Organizations (CEOSL) and a sector of the Ecuadorean Central of Classist Organizations (CEDOC).

The FUT held a long parade that covered more than 10 blocks carrying posters with social protest slogans. It ended at San Francisco Square, where several speakers gave heated speeches.

Another faction of workers affiliated with CEDOC gathered at 24 May Avenue.

The third group was represented by classist and independent organizations including the cooperatives, municipal workers, social security workers and the Confederation of Public Workers.

Emilio Velasco, president of the CTE, said in his speech that one of the 12 points that the workers have submitted to President Roldos' government is a criticism of the government for giving in to the pressures of the local oligarchy and of U.S. President Ronald Reagan. They also accuse the government of moving to the right.

CSO: 3010/1270

BRIEFS

ABDALA BUCARAM RESIGNS POST--Abdala Bucaram, former general intendant of Guayas and brother-in-law of the president of the republic, has resigned as adviser of the General Inspector's Office of the nation. He had been assigned these functions to legalize his leave of absence [excusa] from the Guayas Provincial Council. The former official has been making observations to the government as well as to the people, Change and Democracy Movement [Movimiento Pueblo, Cambio y Democracia], charging them with influence peddling. As can be recalled, Bucaram [word indistinct] from the People's Democratic Party [Partido Democracia Popular] following the elections of 7 December, also amid outbursts of criticisms against its leaders. As has been reported, he now describes himself as an independent politician with enough moral authority to question actions which he thinks merit criticism. [Text] [PA230226 Quito Cadena Ecuador Radio in Spanish 2300 GMT 22 Apr 81]

PRESIDENT APPROVES OPERATIONS PLAN--President Jaime Roldos Aguilera today approved the 1981 national operations plan prepared by the National Development Council, headed by Vice President Oswaldo Hurtado Larrea. The plan was brought to the president's consideration on 8 April. The program includes, among the highest priority projects, the development of the Amazon and southern border regions, and makes national defense a permanent objective for the 5-year development plan. The national operations plan should have been approved in January of this year, but in view of the armed conflict in which the country was involved as result of the Peruvian forces' attack on our southeastern border, it was necessary to make a number of economic readjustments in it. [Text] [PA250149 Quito Cadena Ecuador Radio in Spanish 2300 GMT 24 Apr 81]

CSO: 3010/1270

COMMENTARY SCORES NICARAGUA'S SQUANDERING OF FUNDS

PA272146 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 27 Apr 81

[Commentary by Moises de Jesus Ulloa Duarte]

[Text] Good morning, friendly listeners. The behavior of the Nicaraguan Sandinist regime is very contradictory because as it protests the suspension of U.S. aid in an incredible irate fashion, it continues to squander large sums of money sending delegations abroad and providing military assistance to the Salvadoran guerrillas as Duarte, chairman of the Salvadoran governing junta, has just confirmed.

Reading the international press, we have noticed the frantic worldwide campaign undertaken by the Sandinist government against the United States which, as can be expected, has been enthusiastically echoed in the Soviet press and in Radio Havana's daily transmissions. This campaign is the Nicaraguan Government's response to President Reagan's decision--which was finally approved by the U.S. Congress--not to send to Nicaragua the balance of a several million-dollar loan because it has been fully verified that the Sandinists are still providing assistance to the Salvadoran guerrillas.

The balance of the loan totals \$15 million which apparently doesn't mean much to the government leaders of communist Nicaragua. However, its suspension may mean a lot as regards U.S. policy toward the new revolutionary regime in Nicaragua which will indeed a great deal matter to the commanders. It is known that the Sandinist government is wasting huge sums of money with the daily sending of large delegations to the socialist countries in all sorts of luxury and comfort.

The Managua newspaper LA PRENSA has reported this news. One of its issues carried headlines such as the following: "How Much Is This Costing Us?--Another Stream of Guests Is Coming to Nicaragua." In the text of the items, the Nicaraguan people are told that the guests are a large delegation of journalists from all over the world, but the socialist world, of course, who met precisely on Sunday, 26 April, in Managua. [sentence as received]

In just the last few weeks, three Sandinist government delegations have paid visits to Czechoslovakia. Presumably a government that spends such large sums of money sending and welcoming delegations almost every day is not quite so hard

for such as it wants to make believe by almost arrogantly requesting U.S. assistance, sometimes more in a demanding than a beseeching tone. The Sandinist commanders reported that the hated U.S. imperialism is denying \$15 million in assistance to Nicaragua as if that amount entailed the salvation or fiasco of Nicaragua and its entire population.

A Costa Rican newspaper, commenting on the Sandinist regime's irate protest over the U.S. suspension of the aforementioned assistance, reported that fortunately Costa Ricans are no longer so easily deceived as during the insurrection that toppled General Somoza. Costa Ricans know where the bandwagon is leading and they know it so well that they have coined a new phrase to refer to the Sandinist commanders and their masters, the Russians and the Cubans: the new filibusters who are attacking the liberty of Central Americans and who are now coming from the Antilles and from the Eurasian power which is trying by every possible means to dominate the world.

With this criticism made in the newspapers of a nation such as Costa Rica--whose incumbent president, Rodrigo Carazo, was one of the chief protectors of the Sandinist revolution, an attitude which by the way drew him substantial profit totaling several million dollars from the weapons traffic as is public knowledge in the land of Juan Santamaria--honest Costa Ricans, who are aware of the deceit of who have slowly come out of this rather painful experience, are wisely reminding the commanders of the false Sandinist revolution to forget their action as new filibusters who are trying to destroy the democratic institutions not only in Nicaragua but in all the other Central American nations.

The Sandinists' arrogant attitude is almost a carbon copy of Fidel Castro's attitude of frequent outrage against the United States, a nation whose government and people he constantly insults while, on the other hand, he asks for their economic assistance, accusing them of forsaking him while he subserviently follows Moscow's orders. Good morning, dear listeners.

END 9010/1242

BORDER PATROLMAN KILLED BY FORMER SOMOZIST GUARDSMEN

PA272352 Managua Radio Sandino in Spanish 1800 GMT 27 Apr 81

[Interview with Capt Roberto Sanchez, Defense Ministry public relations director; date and place not given--recorded]

[Text] [Question] Capt Roberto Sanchez, the latest reports say that one person has been killed and another wounded. Can you tell us how it happened?

[Answer] Yes, that information is true, but not in the way the radio stations and newspapers have carried the report. In the first place, the incident did not occur in Guasacule. The incident occurred in the morning of 25 April in a place known as Portillo del Aire between Cerro Volador and Pena Grande, 200 km east of Guasacule. A five-man border patrol was attacked by some 30 former Somoquist guardsmen with various caliber arms. Some wore olive-green uniform, others civilian clothes. Our companion Jaime Palz Hernandez was killed during the clash and Compañero Marcelino Martinez Ruiz wounded. Both are from Leon.

During the clash, the former Somoquist guardsmen were shouting long live Somoza and they asked our companions to surrender, but as should have been expected they did not. The group of counterrevolutionaries then withdrew to Honduran territory, where they have their refuge.

[Question] Captain Sanchez, how far is this place from the border?

[Answer] Just a few kilometers. These bands operate within 5 to 8 km of our territory from the Honduran border. In this way they can attack and return safely to Honduran territory. This is the reason our troops have not been able to catch them. We just cannot cross the Honduran border. On the other hand, these bands which have the support of some Honduran military officers, can attack us and then go back without problem to Honduras.

REF: 3010/1242

STUDENTS ASSUME VIGILANCE DUTY AT UNIVERSITY

PAG31607 Panama City LA PRENSA in Spanish 3 May 81 p 1A

[Text] Three unidentified armed men forced a window to get into the university's secretariat and tore down two doors to try to get to the safe box in the rector's office. This took place Thursday morning at approximately 0045.

LA PRENSA learned Thursday afternoon that the University Students Coordination [Coordinadora Estudiantil Universitaria--CEU] had reached an agreement with the authorities at the university to allow some former members of the University Guard, who had no ties with the National Guard G-2, to assume together with other students the vigilance at the university.

However, at midnight the same day, a former guardman with no ties with the G-2, reported to the CEU that "he had tried to carry out his vigilance duties at the university, but that he could not because twice a former guardman and a security guard lieutenant told him to leave because they were going to take over."

Later on another former security guardman, with no ties to the G-2, and a student, doing guard duties, discovered three men trying to force their entrance into the rector's office where he has the safe box. According to what they said, one of the men had a pistol, another a police stick and the third one was carrying sophisticated tools to break in to doors and safe boxes.

When they saw this, the former security guardman stayed behind keeping an eye on the men, while the student went to the CEU's headquarters for help. When the student returned with other students, the three men after pointing their gun at the former guard, fled leaving behind a white briefcase with the tools they were using.

The students told our reporters that they have been receiving threats but that they will stay until the end in what used to be the University Guard headquarters.

In this respect, Jorge Tristan, FER (Revolutionary Student Front) 29 leader, said: "We believe that these burglary attempts are taking place in order to justify the need of University Guard which we know is a repressive body."

Besides, the students said that they have found more documents proving the ties between the University Guard and the G-2, among which are the papers of a former

guard graduated from the School of the Americas, specialized in counterintelligence and a letter addressed to Lt Col Manuel Antonio Noriega which says that the University Guard is willing to continue providing its intelligence services.

The students say that the university's administration has been unable to comply with the agreement and that they will hold the university authorities responsible for anything that befalls the university.

CSO: 3010/1242

LABOR MINISTER ADDRESSES CROWD ON MAY DAY

PAOJ0411 Panama City Televisora Nacional in Spanish 2315 GMT 2 May 81

[Teat] The government participated in the celebration of May Day in Puerto Armuelles yesterday, providing answers regarding its regional, national and international policy.

The official delegation, headed by Labor Minister Oyden Ortega, consisted of Education Minister Susana Risha de Torrijos, Housing Minister Abel Rodriguez, Deputy Housing Minister Carlos Gonzalez and Labor Director Norberta Tejada.

In general, the ceremony served as a framework for protests against the new labor statute that replaced Law 95. A heavy drizzle fell from early morning but did not prevent labor unions from going to the Puerto Armuelles Stadium.

The labor leaders outlined the workers' position, which is supported by the lay and religious movements of the community. The government participates annually in the May Day celebration in recognition of Puerto Armuelles' tradition of labor activism.

On this occasion, it was announced that a new school would be built to replace one that is in poor condition as a result of earth tremors that shook the community some time ago.

Labor Minister Oyden Ortega outlined the government's policy as regards the new labor statute. In the international sphere, he denounced the violations of the Canal Treaty and said that federal labor authorities will not be permitted to intervene in Canal area affairs.

[Begin recording] Here in this community, we have to speak very clearly. We want the workers of this area and the workers of the country who are precisely the ones who are breaching the gap between those who have a great deal and those who endure a miserable existence. [sentence as heard]

This, to us, is important because it encourages the government officials to also adopt progressive and revolutionary positions. That is why we want to tell you that any national or transnational company can be established here, but they cannot disregard the rights of Panamanian workers. [repeated shouts of "Down with Law 71"] Companeros, those companies have to understand that they obey the

law. That is why we wish to tell you [shouting of slogans by the crowd] to tell your coworkers that the Chiriqui Land Company will have to pay a surcharge of 75 percent. [as heard] [interrupted by slogans shouted by the crowd]

In this country, where one lives in peace and tranquillity while in other countries citizens' lives are constantly threatened by terrorism, some Panamanians claim the luxury of calling for a constituent assembly to change the progressive and revolutionary constitution of 1972. [shouting of slogans]

To those bad Panamanians, we are going to say that these people who have borne up under a rainfall [as heard] and this government will not permit a constituent assembly. [shouting from the crowd]

Internally, we wish to strengthen the government's wage policy but also to keep the bad Panamanians and bad businessmen from abusing the people by raising the price of staples. [shouts of "Down with Law 71" and other slogans] The most important thing also, at this time, is to have laws that are beneficial to the workers and housing laws that solve their problems. [shouting of slogans by the crowd]

In the international sphere, I wish to say today that we are not going to permit violations of the Torrijos-Carter treaties, or permit the U.S. Federal Labor Authority to function. [following sentence covered by shouts from the crowd, including shouts of "Down with imperialism!"]

Finally, compañeros, I wish to tell you that the day in which workers are not militant, the direction of this government will change. The workers have to speak loudly and clearly. Compañeros, we will always be on your side, as we have been today on 1 May, at a time when in few countries of the world are governments enjoying the privilege of being beside the workers. [end recording]

CSU: 3010/1742

BRIEFS

INTEL FACES TREATY VIOLATION--The National Telecommunications Institute (INTEL) is facing another flagrant violation of the Torrijos-Carter treaties as a result of the capricious charges the U.S. Government is trying to collect for the telephone service that the Canal Commission provides to users in the returned areas. INTEL tried to buy the equipment, which dates back to 1915, in order to undertake a modernization plan in the returned areas, but the U.S. authorities have refused to carry out the transaction. INTEL has to pay the authorities who operate the telephone service 8 balboas per customer. This is unacceptable due to the clear violation of the letter of the treaties. For commercial telephones, INTEL is charged 51 balboas for each installed telephone, while the customer only pays 20 balboas for the service provided by our Telecommunications Institute, which has systematically rejected these charges. [Text] [PA291938 Panama City Televisora Nacional in Spanish 1130 GMT 29 Apr 81]

CSO: 3010/1242

DEMONSTRATIONS REPORTED DURING MAY DAY CELEBRATION

PYO12208 Buenos Aires LATIN in Spanish 2146 GMT 1 May 81

[Text] Lima, 1 May (LATIN)--Labor Day was celebrated in Lima today with ceremonies before the graves of union leaders. Last night, there were some disturbances downtown prior to a rally by the communist labor group.

The police brought the disorders under control by using their sticks and water spraying vehicles. It has been reported that about 100 demonstrators responsible for throwing rocks at shops and for burning tires in busy Lima streets have been arrested.

Eduardo Castillo, secretary general of the General Confederation of Workers of Peru (CGTP), during a rally called by that organization criticized the government economic policies and the antilabor laws and decrees. He said that these laws "are against the Peruvian people."

He demanded the return of workers dismissed 3 years ago and the enforcement of the workers' right to freedom to join unions and to hold strikes.

Politicians of various beliefs were questioned by Lima newspapers. They all called on workers to work harder to overcome the economic crisis affecting the country and to unite to defend the democratic system.

This morning President Fernando Belaunde Terry conveyed greetings to the working class and criticized last night's street disorders. He harshly lashed out at people who painted the walls with communist slogans in the downtown 2 de Mayo Park, site of the CGTP rally.

Belaunde talked to the press in the No 8 military air base before leaving for a trip to the jungle where he will try to find a colonization site for settlers.

The 2 de Mayo Park was recently remodeled to celebrate the 125th anniversary of the last battle between Peruvian forces and Spanish settlers.

The Labor Day celebration did not prevent shops in Lima from opening. Movies and theaters also opened normally.

CSO: 3010/1272

BRIEFS

OIL CONTRACT INVESTIGATION REFUSED--Lima, 23 Apr (AFP)--The Peruvian conservative government has rejected the pressures which the opposition has applied in Congress seeking an investigation of the controversial oil contract which has been publicly questioned by the armed forces. Last night the pro-government majority in the Senate outvoted a leftwing motion aimed at forcing the energy minister and the armed forces joint command to submit reports on the situation. The opposition wanted to know the reasons for the public concern of the military men over the oil prospecting contract signed with the U.S. company Superior Oil. This contract was the first to be signed under the provisions of the new law aimed at bringing more foreign investment capable of instilling new life into the stagnant Peruvian oil industry. Rejecting the opposition's move, a government spokesman urged the left with trying to stir up trouble between the military and the civilian authorities. "We cannot allow this confrontation because it is designed to destabilize the representative government which we must defend," Senator Mario Solar said. The new oil law has been criticized by leftwingers and nationalists who have accused the government of delivering Peruvian wealth into the hands of multinational corporations. [Text] [PY240257 Buenos Aires LATIN in Spanish 2313 GMT 23 Apr 81]

PRESUMED TERRORISTS ARRESTED--Puno, 18 Apr--State security agents here have arrested another four presumed terrorists who may be sent to Lima in the next 24 hours. Police forces initiated an implacable war against terrorism 2 days ago with the arrest of Ronald Bustamante Valdivia, who had 20 sticks of dynamite in his possession, Jaime Nina Chavez, a leader of the FOP [as published] and Hawar Belhuella Paróden, a leader of the SUTE [as published]. These three, with proper evidence, were sent to the capital. Remigio Cabala, departmental prefect of Puno, told EXPRESO that the main reason for the police measures against presumed terrorists is the recent attack on a microwave repeater tower on Llallahuani Hill. "Had it not been for the heroic actions of Republican Guardsman Wilmer Vasquez Mina who, despite loss of his left hand, prevented the destruction of the tower, Puno would have been isolated for a long time, as is the case with Ayacucho, and there would have been losses of 1.5 billion soles," the prefect said. [Text] [PA/60327 Lima EXPRESO in Spanish 19 Apr 81 p 10]

TERRORISM AFFECTS SEVERAL SCHOOLS--Lima, 28 Apr (TELAM)--The escalation of terrorism which began at the beginning of the school year, continued in this capital with the throwing of bombs at two establishments. A bomb was thrown at the Marihan School, in the district of San Antonio, causing damage in the patio. A

second bomb was thrown at a transport bus. The second attack took place in the Beata Imelda School in the district of Chaclacayo, 20 km east of Lima, causing property damage. There have now been four attacks against schools in less than a month. The previous attacks affected the Leon Pimelo School which belongs to the Jewish community, and previously, a school in the district of Rimac, fortunately not causing any casualties. Meanwhile, parents of children at a school in the Rimac region have created an antiterrorist brigade maintaining strict vigilance to prevent attacks. [Text] [PY291305 Buenos Aires TELAM in Spanish 0255 GMT 29 Apr 81]

MEDIA COMPENSATION PLAN AGREEMENT--Lima, 30 Apr (LATIN-REUTER)--The government of Peru approved measures for compensating owners of newspapers and radio and television stations which were expropriated during 6 years of the military rule. The measures, announced last night after a lengthy cabinet meeting, give the owners access to credits in preferential conditions and tax deductions to cancel unpaid debts accumulated during the period of expropriation. However the aid will not include monetary compensation, according to the measures known. The newspapers and radio and television stations were expropriated in July 1974, by the then military ruler Gen Juan Velasco Alvarado. General Alvarado's intention was to transform the newspapers into organs of expression for various sectors of society, in what he hoped would be a new and revolutionary Peru. However, in practice, the military government exercised strict editorial control and sales fell dramatically. The journalistic enterprises were returned to the original owners in November, 4 months after the restoration of democracy in the country and the election of the civilian conservative government presided over by Fernando Belaunde Terry. [Text] [PY021911 Buenos Aires LATIN in Spanish 1946 GMT 30 Apr 81]

APRA TO REGAIN NEWSPAPER--Lima, 1 May (AFP)--It was disclosed in this capital today that the Peruvian American Revolutionary Popular Alliance (APRA) will recover its newspaper LA TRIBUNA which, together with its assets, was auctioned by Gen Juan Velasco's regime in 1970. This measure was taken through the decrees issued by President Fernando Belaunde's government last Wednesday night. These decrees are aimed at compensating the newspapers and radio and television stations which were confiscated by the military regime. One of the decrees states that the Bank of the Nation (state owned) will return to APRA the premises of LA TRIBUNA, in downtown Lima, free of tax payments and will pay indemnity to APRA for the deprivation of other assets. These assets were confiscated in January 1970 during a law suit the government started against the newspaper for not paying its taxes. As a consequence it also auctioned the newspaper's premises in favor of the mentioned bank. From the beginning APRA objected to the auctioning because it believed that it had been arranged and because it had not been allowed to pay its taxes by instalments as is authorized by law. [Text] [PY042015 Paris AFP in Spanish 2039 GMT 1 May 81]

CSO: 3010/1272

'CHINESE DOCUMENT' ON CARIBBEAN STRATEGY REPORTED

Caracas EL DIARIO DE CARACAS in Spanish 20 Apr 81 p 8

[Text] The following is a verbatim excerpt from the document entitled "Problems of War and Strategy in the Caribbean," which is currently circulating among Venezuelan political circles. Some attribute its authorship to the Chinese Government, although it is not signed.

"Know your enemy as you know yourself, and you can win 100 victories. This old principle of war continues to hold true in the case of the defense of Venezuelan sovereignty as well.

"The features of the defense apparatus of a country must be in keeping with the nature of the threats that it is confronting. For Venezuela, the threat is coming from the superpowers, and the USSR in particular. The latter is probably acting through its Cuban special forces in a variety of possible circumstances, ranging from a global confrontation with the North Americans, or a confrontation involving Europe, to some local and even internal conflict wherein the Cubans 'are called upon' to intervene. Oil will always lie at the heart of any of the forms and circumstances of aggression against Venezuela. The Venezuelan defense policy, apart from being aimed generally at the preservation of its own forces and the destruction of those of the potential enemy, must be concentrated on the guarantee of the implementation of our decisions on oil. If the latter respond to the national interests, they will necessarily be in contradiction to the interests of the superpowers, and particularly with the Soviet-Cuban interests.

"Venezuela will not be sovereign, independent and capable of deciding its own destiny unless it can preserve its territorial integrity, its population and its productive forces, upholding its internal decisions by force of arms against any enemy (...)

"The nationalization of oil marked a major milestone in the process of the country's economic independence. But it would appear that this was never accompanied by the consistent national plans for the defense of oil, its production, its shipment and its export routes."

'We Have No Plans'

"Not to have our own plans for the defense of our country in a world that is proceeding at a rapid pace toward war is at the least irresponsible. And in Venezuela there are no plans for the defense of our oil, our basic industries or anything else, because in order to exist, they would have to be recorded in something that is glaring in its omission: independent Venezuelan strategic thinking.

"The old defense policy, or rather the national sellout, dependent on North American imperialism, is obsolete, and has not been replaced by anything that would be of use in the present situation.

"Our Armed Forces are substantially inferior to those of the potential Cuban enemy, as analyzed previously (...)

"(...) The Armed Forces are divided from the Venezuelan civilian population, and this is a major factor in their weakness. The delayed process of the formation and consolidation of the Venezuelan nation involved the creation of a central Army which retained for itself the monopoly on weapons, and the knowledge and handling thereof, excluding the civilians. This is the historical basis for our lacking any type of people's weapons which, moreover, are a mere democratic right on which the entire defense of Switzerland, for example, is based. In Venezuela there is no regional and local defense system that would allow the population to take on armed struggle and resistance to an attack. Civil defense is virtually nonexistent, and is mainly engaged in coping with natural disasters and guarding operations during vacation periods.

"In conclusion, the lack of national defense plans and the absence of a Venezuelan strategic thinking are reflected in the meager material preparation of our Armed Forces and in a backward, inefficient defense system (...)

"The mental preparedness of the rest of the Venezuelan population for national defense is not much better than that of its Army. The aforementioned separation between the Army and the people has caused prejudice to exist in the normal consciousness of the citizens regarding the legality and feasibility of discussing such matters as people's weapons and any type of military topic.

"The mental preparedness that would enable the Venezuelan nation to cope successfully with any potential aggression must be founded upon some strategic thinking in the direction of national defense and not capitulation.

"As has been shown by the resistance of the Afghan nation to the most powerful Army on earth, there is no material preparedness that can replace a people's determination to fight."

'What We Need'

"In order to be able to defend itself, the Venezuelan nation needs an atmosphere of patriotic unity against the superpowers: an Army and a people acting jointly and efficiently to guarantee our sovereignty. But with the habits, customs and ideas that dominate Venezuelan life today, any activity involving the exercise of the country's supposed defense capacity, with the participation of civilians, would not go beyond a kind of 'sham battle' or 'fatherland week' of which the government of Gen Marcos Perez Jimenez was so fond, or a 'May Day' without any substance, of which our recent governments and our people have been so fond.

"If we combine the slight capacity of our Army and the lack of defense preparedness on the part of the population with an inefficient scientific and technical base and industrial and agricultural production base, we shall have completed the picture

of our defenselessness; because there is no Venezuelan science and technology capable of freeing us from military logistics that are dependant on distant sites abroad. Nor is there an industry that could produce our weapons, nor an agriculture that could guarantee the country's supplies in the event of crises. Where we are concerned, the problem of weapons is far more complex than having petrodollars with which to purchase the most advanced types on the international market. Venezuela is a clear-cut importer of weapons. In this respect, we resemble our Cuban enemies, although our sources of imports are more varied. In the long run, our logistics depend completely on foreign countries. Whereas some Latin American nations at least attempt to assemble part of their heavy weaponry under a foreign license, Venezuela does the opposite. For example, Peru has constructed two of its Lupo type frigates, which are similar to those imported by Venezuela, in its own shipyards. Colombia assembles some of its troop carriers and Trinidad-Tobago produced one of its coast guard cutters last year. Not to mention the development of a technology of our own for the production of weapons and defense systems, such as has existed and still exists in Latin American countries. It would appear that only ammunition is produced in Venezuela, although there is a consortium for the production of weapons that was created in recent years, under the control of the Armed Forces. But in this respect even Rafael Leonidas Trujillo's Dominican Republic, which produced its own rifles, appears to surpass Venezuela.

"Leaving the problems caused by Venezuela's defenselessness as they are, and even allowing some of them to become worse, seems to be the main orientation of those in charge of policy in Venezuela. This can only lead us to capitulation with respect to any aggressor. The solution of capitulating to those who are stronger is not new in our country. In the past, it was done to the North Americans, and in the future it is not unlikely that it will be done to the Castroites and their Soviet masters (...)

"To discover the problems of war when the aggression is already under way is the ostrich-like policy advocated in the actual practice pursued by our political and military leaders thus far. It leads to the country's surrender to the aggressor 'because we are not prepared, and what sense is there in fighting against such strong enemies?' The solution to the various problems posed by Venezuela's military defenselessness is by no means easy; but if we do not undertake it, they will not solve themselves alone, and they are here today as a result of our failure to cope with them in the past. It may be that, with accelerated preparedness in all areas, including the military, we could spare the Venezuelan nation some of the suffering to which the irresponsible course of action taken to date has led (...)

"We need the Venezuelan nation to understand the negative role played for us by North American imperialists, from whom we are just beginning to free ourselves, despite their desires to oppress us; because what is involved now is confronting the Soviet threat by using methods diametrically opposed to the casuistry which separated us from the North Americans, wherein a lesser role was played by the confrontation with the latter, who developed some sectors of our nation."

The Foreign Policy

"We must root out and deeply criticize some aspects of our foreign policy, such as the intervention in the internal affairs of Central America, which has made the balance increasingly favorable to our Cuban enemies, or the different treatment

with respect to oil accorded the Caribbean area, which is helping to support the Cuban troops and feeding the Soviet submarines at a low price.

"The understanding and widespread publicizing of Venezuela's relative strategic importance and of the possibilities of war in the world and in our region are tasks that cannot be neglected. This is not an academic matter, and it is associated with the fostering of the people's hatred toward the nation's true enemies, the Cubans and the Soviets. Only a population mentally prepared for the defense of its sovereignty can establish proper relations with its Army, based on the confidence that the latter is capable of defending the fatherland against enemies such as the superpowers. A prepared population would be capable of detecting the symptoms of capitulation in its leaders and in the Army, and considering the latter, in such an eventuality, as part of the enemy's apparatus for domination, and treating it accordingly (...)

"In a world that is increasingly marked by the Soviet superpower's concentrated synthesis of all the monstrosities of the imperialist system, Venezuela's main contribution to the cause of the peoples and nations of the Third World lies in its own capacity for confronting any aggression from that common enemy of mankind.

"Venezuela must not allow itself to be carried along by the circumstances leading to its capitulation. It can and must fight, making its modest contribution to the destruction of the imperialist system."

Response from the Defense Minister

The minister of defense, Maj. Gen. Tomas Abreu Rescaniere, stated that he was not very familiar with the content of the "Chinese Document." However, he said: "The defense that we have is in keeping with what the national forces think we should have, and not what other persons may consider necessary."

Commenting specifically on the situation relating to the borders, the minister noted that many may have wanted them to be left unguarded. "As usual, there is surveillance on our borders, and the Armed Forces are present on all of them." He said that on Wednesday of Holy Week he accompanied President Luis Herrera Campins on an administrative tour of the Guayana border region, visiting the military installations of both the National Guard and the Army, in Luepa and Santa Elena de Uairen. "This is an example of the fact that our Armed Forces are present there."

2907

CSO: 4010/1219

ESTEBAN REY ANALYZES RELATIONS WITH MEXICO

Caracas EL UNIVERSAL in Spanish 19 Apr 81 Sec 1 p 13

Commentary by Luis Esteban Rey: "Venezuelan and Mexico"7

[Text] An analysis from the AFP news agency in Paris, published in EL UNIVERSAL on 12 April, states that, "The geopolitical balance of Latin America underwent a fundamental upset as a result of the 'democratic axis' formed last week between the presidents of Mexico and Venezuela."

There is no doubt that, in Paris, matters are assessed quite differently from the way in which they are assessed in our America. In the first place, we do not discern what that "geopolitical balance" which Presidents Herrera Campins and Lopez Portillo are supposed to have "upset" is; and, secondly, it is our understanding that neither of the two heads of state had the slightest interest in changing that alleged "balance" or in forming any "axis." In any event, the purpose of the visit to Mexico by President Herrera and that of his host, Dr Lopez Portillo, consisted of a strengthening and expansion of the relations between Venezuela and Mexico, a consolidation and extension of the cooperation related to energy that the two countries are giving to the nations of Central America and the Caribbean, a contribution through their efforts to the termination of the conflict in El Salvador, and to the search for peace and stability in the region, and confirmation of their adherence to the endeavor to construct a new international economic order. These are perhaps more modest tasks than distorting the Latin American "geopolitical balance," but they are unquestionably more advantageous for everyone.

The Venezuelan president's visit to Mexico assumed importance particularly because of the time at which he made it, and the circumstances prevailing in the area; and also because a new administration was starting in the United States which had not as yet defined a policy toward our America, except its intention of converting El Salvador into a kind of testing ground in the confrontation with the Soviet Union, its negative position regarding Nicaragua and its sympathy for the military dictatorships which proclaim themselves to be anticommunist.

Obviously, all this indicates a trend, but a bewildering and dangerous one. Incidentally, for this reason it might be agreed that President Herrera's recent decision to postpone his planned visit to Washington was not misguided.

All those elements were present to some extent in the meetings between Presidents Herrera and Lopez Portillo, in the addresses which they both delivered, in the

joint declaration that they signed, at the press conference with the Venezuelan head of state and in the commentary of the local news media.

President Herrera in the Mexican Congress

President Herrera's speech in the Congress of Mexico was important chiefly because in it he emphatically cited the need for "a united presence" of Latin America in the international area, which would have to be expressed through the "coordination and harmonization of the foreign policy of the Latin American states, without considering it an attempt at a harshly inflexible bloc-oriented policy."

This "global strategy of a Latin American foreign policy" which the Venezuelan Foreign Ministry recently introduced as one of the fundamental principles of its diplomacy and which took Foreign Minister Zambrano on quick trips to Brasilia, Buenos Aires and Mexico City, as the president suggested in that address, must become committed to two immediate tasks. The first one is the new hemispheric dialog. He said: "We cannot wait for the American Government to define its policy toward the hemisphere and, a posteriori, indicate our consent or our disapproval. Inter-American relations must be based on respect, justice, cooperation and peace." Then the president mentioned two precedents for the hemispheric dialog: the consensus of Valparaiso, during the 1960's, the spokesman for which to President Nixon was the Chilean foreign minister, Gabriel Valdez, and in which the Latin American position was summarized; and there was the Conference of Tlatelolco, in Mexico, during February 1974, which was really a dialog between the Latin American and Caribbean countries and Dr Kissinger. What President Herrera did not mention (and it was for that he was silent about it) was that neither that consensus nor this conference had any positive results. In the past as in the present, Washington has preferred the unilateral policy for getting along with its neighbors to the south.

President Herrera went on to say that the second task is "to forcefully protect this consensus from any injurious effect of the bloc policy, so that it may continue to be a reservation of peace and a refuge of hope." The president of Venezuela stressed that America must reject, as an action against itself, any attempt to distort the sovereign Latin American route of our peoples. He urged that there be upheld in the international policies a harmonious position "against any expression of imperialism by the hegemonic superpowers," as a backing for our sovereignty.

President Herrera added that this mutual effort "also demands the sincere, realistic, open and clear proposal of methods aimed at a just revamping of the international economic order, with the full realization that this goal is only part of the objective (common desire) the democratic development of the international community."

In the conclusion of his address, President Herrera mentioned the problems which are being suffered in some subregions, and then asked that Nicaragua not be abandoned, "in which there must be a friendly hand," and El Salvador, which is waiting for a friendly gesture that will enable it to find the lost peace and the democratic rule, not be isolated.

Global Strategy for a Common Latin American Strategy

For in the joint declaration of the presidents and with respect to the Venezuelan position on the global strategy of a Latin American foreign policy, as a result of

the "coordination and harmonization" of the foreign policy of the respective Latin American countries, nothing was noted that could be interpreted to mean that the Mexican head of state shares this view which Herrera Campins voiced so heatedly in the Mexican Congress.

There was, indeed, a reaffirmation of the need for economic cooperation among the developing countries to achieve fundamental changes in the international economic system, and a forceful denunciation was made of the injustices and distortions that currently exist in that system, to the detriment of the less developed countries; while at the same time concern was expressed over the increasing deterioration in the world economy. But the joint declaration kept a discreet silence regarding Latin American unity for a dialog with the United States and, in particular, concerning the feasibility of proceeding ahead with a definition of a policy toward that country and not waiting for the latter to take a stand with respect to us.

The Mexican Foreign Policy

Mexico, as we already know, has always had a foreign policy which is difficult for some to understand, but which is perhaps based to a large extent, like the foreign policy of all nations, on geopolitical realities, and, without doubt, on the (quite understandable) desire to maintain an independence or an uncompromised position with respect to the United States, as was proven in the gas and oil negotiations and in other aspects of its relations with that country. But nevertheless, it has not failed to take into account who its neighbor is (something which holds true, to a greater or lesser extent, for the rest of us Latin American countries, especially in the Caribbean and Central American area).

For well known historical reasons, the Mexican-American friendship has almost always been plagued by mistrust. However, the American governments, especially in recent years, have tried to stress the importance of the relations between the two countries. Nixon's first official visit was to Mexico. The relations with Carter, which began with good omens, experienced stormy periods owing to the failed negotiations on gas and oil and the issue of the illegal immigrants. Carter's visit to Mexico in 1979 (Lopez Portillo had been his guest in 1977) was marked by unpleasant situations, and there were even some anti-American demonstrations. The results were virtually nil.

During his campaign, the candidate Ronald Reagan announced his interest in a "North American agreement" between the United States, Mexico and Canada. And, as president-elect, Reagan visited Mexico to meet with Lopez Portillo, who was due to return the visit currently, but the injury suffered by Reagan in the attack of which he was the victim necessitated postponing it. The first meeting between Reagan and Lopez Portillo was primarily an exchange of courteous remarks, with very little substance. But both expect to discuss "business" in the second round. In addition to oil and gas, there are important matters pending, such as the situation of the Mexican laborers who immigrate illegally to the United States, the problem of the fishing in the Gulf and, of course, Central America and the Caribbean, with emphasis on Cuba and El Salvador, without overlooking that powderkeg ready to explode, namely, Guatemala, a neighbor of Mexico.

In a book published by a Mexican several years ago, one reads the following: "The influence of the United States' power on our history has been enormous, and at

times total. We revolve within its orbit of influence, not only its power, but its proximity. We are being torn constantly, in all areas. Only our absolute primitivism or our absolute consciousness will save us from complete assimilation." The author of that book is Jose Lopez Portillo.

It is claimed that the president of Mexico read that paragraph to Reagan during his meeting in Ciudad Juarez, but with the desire to express to the latter his wish to change the situation that was described. With the increase in its oil resources which, in addition to dollars, is translated into political power, Mexico now feels more confident and stronger. It is possible that, like Canada, it will not approve of that "North American agreement" proposed by Reagan, which unquestionably has a great deal to do with oil; but, in any event, perhaps Mexico will prefer a bilateral dialog, and not be part of a collective entity with Washington. The fact that the unity of Latin America with respect to the United States, the Latin American global strategy and hemispheric dialog were not included in the joint declaration of the presidents of Venezuela and Mexico may be attributed to this position. To be sure, this does not detract validity from the Venezuelan proposal but, generally speaking, we suspect that its scope will be rather limited, in addition to which we do not know the extent to which our Foreign Ministry, regardless of how much of a desire its head may have, has the capacity for efficiently implementing that policy. Our countries can carry out the most advantageous (or least useless) multilateral action in the group of 77, and in the forthcoming global North-South negotiations, under the sponsorship of the United Nations. In this connection, the meeting of heads of state and government of industrialized countries and undeveloped countries, to be held in Mexico during October 1981, may perhaps prove useful.

The joint declaration offers some highly constructive proposals regarding Mexican-Venezuelan cooperation in the area of oil assistance to Central America and the Caribbean (which both presidents include in the context of the new world economic order), in connection with agencies such as SELA [Latin American Economic System] and LAIA [Latin American Integration Association], as well as backing for Latin American multinational firms.

Against Interventionism and in Defense of the Right of Asylum

Particular stress must be given to the appeal to the international community made in the declaration that it refrain from engaging in any act of intervention, direct or indirect, that would worsen the Salvadoran conflict and increase the risks of its internationalization. This "community" has two specific names: the United States and Cuba. At the same time, the presidents voiced their intention of "being useful" insofar as the Salvadorans themselves so require; so that Venezuela and Mexico may make some contribution to helping the termination of the conflict.

The fact that the presidents ratified the commitment of their governments to continue striving to guarantee respect for the standards and principles of the right of asylum "which have some of their traditional, staunch defenders in Venezuela and Mexico," does not fail to hold a certain amount of significance. It might be thought that Venezuela insisted that the joint declaration reaffirm the force and defense of that right mainly because of its differences with Cuba over the status of those who sought asylum at our embassy in Havana.

A Heated Press Conference

According to witnesses, President Herrera's visit began amid some tension, but it gradually disappeared until the atmosphere became cordial. In his final act in the Mexican capital, that is, at the press conference, President Herrera had to withstand a heavy barrage of questions, most of which were about El Salvador, Cuba and Nicaragua. EL UNIVERSAL (9 Apr 81) printed the complete questions and answers, and one infers from the latter that President Herrera did not seem upset at any time, and responded with poise.

But one proof that President Herrera's visit had its pluses and its minuses is reflected in the question asked at the end of the press conference by a Venezuelan reporter, which we reprint in its entirety, as well as the answer given by the president. Question: "Mr President, during these days that have been very pleasant for all of us who were part of your entourage, we have heard directly from important leaders of this country such views as, 'we reject any foreign intervention in El Salvador, violent action as well as paternalistic gestures;' and they also mentioned something about 'rejecting those who seek false leadership.' These would appear to have been subtle references to Venezuela's democratizing initiatives in the area, and also obvious contradictions to complacent positions regarding the Castro-communist influence in the area. What is your opinion concerning this obvious contradiction of certain Central American and Caribbean governments?"

The answer to this question, a question that may have been a "leading" one (which would not detract validity from it) was as follows: "I have spoken in Mexico, not only at this press conference, but at all times, with absolute clarity regarding the problems of the area, and I think that when the positions are analyzed in depth, they will be found to be really coinciding. Yesterday, in the Congress of the Union, I went straight to the point with respect to Nicaragua and El Salvador. There was by no means any room for polite applause there. Now, as for the other considerations, I am really a very direct person, and I may not be too subtle. Those comments, especially those about paternalism, I know are not related to me; because if I am fighting against anything in my country, it is precisely against paternalism. Hence, those comments do not make me, personally, either cold or hot."

Nevertheless, on the national level we would have to make some comments on paternalism, but we shall leave them for another day. In any event, we shall be stressing remarks that we have already made on that subject.

In conclusion, and returning to the beginning of this commentary, one can observe that AFP of Paris applied too much imagination to Herrera Campins' visit to Mexico, to the point of noting in its results an upset in the "geopolitical balance" of Latin America. That "balance" is still where it was....

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